

OHIO TOWNSHIP
ALLEGHENY COUNTY, PENNSYLVANIA
ORDINANCE NO. 201

AN ORDINANCE AUTHORIZING THE INCURRING OF NONELECTORAL DEBT TO FINANCE THE COST OF A PROJECT; PROVIDING FOR THE ISSUANCE OF A SERIES OF GENERAL OBLIGATION NOTES IN THE AGGREGATE PRINCIPAL AMOUNT OF \$206,200; ESTABLISHING THE FORM AND TERMS OF THE NOTES; AWARDING THE NOTES TO THE PURCHASER THEREOF; APPOINTING A SINKING FUND DEPOSITARY; PROVIDING FOR THE REGISTRATION AND TRANSFER OF THE NOTES; AUTHORIZING THE EXECUTION AND DELIVERY OF THE NOTES; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER FOR THE PAYMENT THEREOF AND COVENANTING TO PAY DEBT SERVICE ON THE NOTES; ESTABLISHING A SINKING FUND; AUTHORIZING THE PREPARATION AND FILING OF A DEBT STATEMENT, BORROWING BASE CERTIFICATE, DEBT EXCLUSION PROCEEDINGS AND A TRANSCRIPT OF THE PROCEEDINGS FOR THE ISSUANCE OF THE NOTES; PROVIDING FOR COVENANTS, REPRESENTATIONS AND WARRANTIES REGARDING FEDERAL INCOME TAX MATTERS; DESIGNATING THE NOTES AS QUALIFIED TAX-EXEMPT OBLIGATIONS; AND REPEALING INCONSISTENT ORDINANCES.

WHEREAS, Ohio Township, Allegheny County, Pennsylvania (the "Issuer") proposes to incur nonelectoral debt by the issuance of its general obligation notes to finance the cost of refinancing the 1994 truck lease to reduce total debt service over the life of the series and finance the cost of eliminating the cul-de-sac on Ritter Road plus other miscellaneous capital projects (the "Project"); and

WHEREAS, in accordance with Section 106 of the Local Government Unit Debt Act, Act No. 52 of the 1978 General Assembly of the Commonwealth of Pennsylvania, as amended (the "Debt Act"), the Issuer has obtained realistic cost estimates for the Project through actual bids, or professional estimates from professional architects or engineers or others qualified by experience;

NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE ISSUER and it is hereby ordained and enacted as follows:

SECTION 1. Incurrence of Nonelectoral Debt; the Notes; Project Cost. The Issuer hereby determines to incur nonelectoral debt in accordance with the Debt Act by the issuance of its General Obligation Serial Notes (the "Notes") in the aggregate principal amount of \$206,200. The proceeds of the Notes will be used to pay the "cost" of the Project (within the meaning of the Debt Act) having an estimated cost of \$281,200 and hereby determined to have a realistic useful life in excess of ten years.

SECTION 2. Award of the Notes. The Issuer hereby finds that a private sale of the Notes by negotiation is in the best financial interest of the Issuer. The proposal (the "Proposal") of Mellon Bank, N.A. (the "Purchaser") for the purchase of the Notes is hereby accepted and the Notes are hereby awarded to the Purchaser for the consideration specified in the Proposal.

SECTION 3. Terms of the Notes. The Notes shall consist of four serial Notes, shall be issued in fully registered form, shall be dated the date of execution and delivery thereof, shall bear interest from such date at the rate of 5.35% per annum (calculated on the basis of a 360-day year), payable monthly on the first day of each month, commencing on February 1996, and shall be substantially in the form set forth in Exhibit A appended hereto. The principal of each Note shall be payable in monthly installments in accordance with the Schedule A relating to such Note, all of which Schedules are appended hereto. After any installment of principal or interest shall become due, by acceleration or otherwise, such installment shall bear interest for each day until paid, payable on demand, at a rate per annum (calculated on the basis of a year of 360 days, as the case may be, and 30 days elapsed) equal to the lesser of (i) 25%, or (ii) 2% above the then current Prime Rate, such interest rate to change automatically from time to time, effective as of the effective date of each change in the Prime Rate. "Prime Rate" means the interest rate per annum announced from time to time by the Purchaser as its Prime Rate. Interest payable on the Notes shall be calculated on the basis of a 360-day year of twelve 30-day months.

The Notes may not be prepaid or redeemed by the Issuer in whole or in part.

SECTION 4. Appointment of Sinking Fund Depository. The proper officers of the Issuer are hereby authorized and directed to contract with Mellon Bank, N.A. for its services as sinking fund depository (in such capacity, the "Sinking Fund Depository") and Mellon Bank, N.A. is hereby appointed to such position.

SECTION 5. Registration and Transfer of the Notes. The Issuer shall cause books for the registration and transfer of the Notes to be kept with the Sinking Fund Depository and hereby appoints the Sinking Fund Depository its registrar and transfer agent to keep such books and to make such registrations and transfers under such reasonable regulations as the Issuer or the Sinking Fund Depository may prescribe.

Upon surrender for transfer of any Note, the Issuer shall execute and the Sinking Fund Depository shall deliver in the name of the transferee or transferees a new Note of the same maturity and principal amount. In lieu of the delivery of a new Note, the Sinking Fund Depository may deliver to the transferee the Note surrendered for transfer. No Note shall be subdivided and no transfer of any Note will be effective until entered on the Note registry books of the Issuer. No service charge shall be made for any transfer or registration of Notes, but the Issuer may require payment of a sum sufficient to pay any tax or other governmental charge that may be imposed in relation thereto.

SECTION 6. Execution and Delivery of Notes. The Notes shall be executed in the name and under the corporate seal of the Issuer by George B. Wible, Chairman of the Issuer and attested by the Secretary or Assistant Secretary of the Issuer. The proper officers of the Issuer are authorized to deliver the Notes to the Purchaser in accordance with the terms and conditions of the Proposal and to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effectuate the issue and sale of the Notes, all in accordance with this Ordinance and the Proposal.

SECTION 7. Pledge of Full Faith, Credit and Taxing Power. The Notes are hereby declared to be general obligations of the Issuer. The Issuer hereby covenants that it shall include the amount of debt service on the Notes for each fiscal year in which such sums are payable in its budget for that year, shall appropriate such amounts to the payment of such debt service, and shall duly and punctually pay or cause to be paid the principal of the Notes and the interest thereon at the dates and places and in the manner stated in the Notes according to the true intent and meaning thereof, and for such budgeting, appropriation and payment, the Issuer hereby irrevocably pledges its full faith, credit and taxing power. The amounts which the Issuer hereby covenants to pay in each fiscal year as principal of and interest on the Notes is set forth in Schedule B appended hereto.

SECTION 8. Sinking Fund. There is hereby established with the Sinking Fund Depository a sinking fund to be known as General Obligation Serial Notes Sinking Fund (the "Sinking Fund") for the payment of principal of and interest on the Notes. The Issuer's Treasurer shall deposit into the Sinking Fund, which shall be maintained until the Notes are paid in full, sufficient amounts for payment of principal of and interest on the Notes no later than the day prior to the date upon which such payments shall become due. The Sinking Fund Depository shall, as and when such payments are due, without further action of the Issuer, withdraw moneys in the Sinking Fund and apply said moneys to the payment of the principal of and interest on the Notes.

SECTION 9. Filing with Pennsylvania Department of Community Affairs. The Chairman or Vice Chairman of the Issuer and the Secretary or the Assistant Secretary of the Issuer are hereby authorized and directed to prepare, verify and file with the Pennsylvania Department of Community Affairs, in accordance with the Debt Act, a transcript of the proceedings relating to the issuance of the Notes, including the Debt Statement required by Section 410 of the Debt Act and a Borrowing Base Certificate, and to take other necessary action, including, if necessary or desirable, the preparation and filing of any statements, reports or documents required to exclude any portion of the debt of the Issuer from the appropriate debt limit as self-liquidating or subsidized debt.

SECTION 10. Non-Arbitrage Covenant. The Issuer hereby covenants with the holders from time to time of the Notes that it will make no use of the proceeds of the Notes which will cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986 (the "Code") and the regulations promulgated or proposed thereunder and that it will comply with the requirements of said Section, including without limitation, subsection (f) thereof and said regulations throughout the term of the Notes. The foregoing covenant shall survive the payment in full of the Notes.

SECTION 11. Other Covenants Regarding Federal Income Tax Matters. The Issuer hereby covenants with the holders from time to time of the Notes as follows:

- (a) All of the proceeds of the Notes (except proceeds applied to pay the costs and expenses of the issuance of the Notes) will be used to provide facilities for local government activities of the Issuer;
- (b) No portion of the Project will be leased to or managed by any person, other than the Issuer, or used by any person, other than the Issuer, on a basis different from such use by the general public;
- (c) The Issuer will take no action with respect to the Project which will cause the Notes to come within the definition of "private activity bonds" contained in Section 141 of the Code;
- (d) The Issuer will comply with all requirements of the Code and the regulations promulgated or proposed thereunder applicable to the Notes in order to ensure that interest on the Notes will remain excluded from gross income from federal income tax purposes under Section 103(a) of the Code; and
- (e) None of the proceeds of the Notes will be used to reimburse the Issuer for an expenditure made prior to the date of the Notes unless (i) such expenditure complies with the applicable provisions of Section 1.150-2 of the Treasury Regulations or (ii) the proceeds of the Notes are exempt from the arbitrage rebate requirements of Section 148(f) of the Code.

SECTION 12. Federal Income Tax Representations and Warranties. The Issuer hereby represents and warrants to the holders from time to time of the Notes as follows:

- (a) It is a governmental unit with general taxing powers;
- (b) The aggregate amount of tax-exempt obligations which are not "private activity bonds" (as defined in Section 141 of the Code), other than "qualified 501(c)(3) bonds" (as defined in Section 145 of the Code) issued after December 31, 1994 by the Issuer, any subordinate entity controlled by the Issuer or any entity which issues bonds on behalf of the Issuer, when added to the principal amount of the Notes and the amount of tax-exempt obligations (including "qualified 501(c)(3) bonds") which are not "private activity bonds" which are reasonably expected to be issued by the Issuer, any subordinate entity controlled by the Issuer or any entity which issues bonds on behalf of the Issuer on or after the date of issuance of the Notes and before January 1, 1996, does not and will not exceed \$10,000,000; and
- (c) The aggregate amount of tax-exempt obligations which are not "private activity bonds" (as defined in Section 141 of the Code) issued after December 31, 1994 by the Issuer, any subordinate entity controlled by the Issuer or any entity which issues bonds on behalf of the

Issuer, when added to the principal amount of the Notes and the amount of tax-exempt obligations which are not "private activity bonds" which are reasonably expected to be issued by the Issuer, any subordinate entity controlled by the Issuer or any entity which issues bonds on behalf of the Issuer on or after the date of issuance of the Notes and before January 1, 1996, does not and will not exceed \$5,000,000.

SECTION 13. *Qualified Tax-Exempt Obligations.* The Issuer hereby designates the Notes under Section 265(b)(3)(B)(ii) of the Code as "qualified tax-exempt obligations", as that term is defined in Section 265(b)(3)(B) of the Code.

SECTION 14. *Repealer.* All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

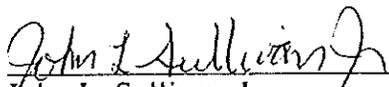
ORDAINED AND ENACTED THIS NOVEMBER 2, 1995

OHIO TOWNSHIP

SEAL

By: 
George B. Wible
Chairman

ATTEST:


John L. Sullivan, Jr.
Secretary

(If Applicable)

Approved this _____ day of _____, 1995.

Mayor

OHIO TOWNSHIP**ALLEGHENY COUNTY, PENNSYLVANIA****GENERAL OBLIGATION SERIAL NOTE****NO. R- DATED: DECEMBER 15, 1995****§****INTEREST RATE: 5.35% PER ANNUM****REGISTERED HOLDER: MELLON BANK, N.A.**

Ohio Township, Allegheny County, Pennsylvania (the "Issuer"), for value received, hereby promises to pay to the registered holder shown hereon or registered assigns, the principal sum shown hereon in installments on the dates and in the amounts set forth in Schedule A appended hereto and to pay interest thereon from the date hereof at the rate per annum shown hereon. Interest shall be due and payable to the registered holder hereon or registered assigns monthly on the first day of each month of each year, commencing on February 1996. After any installment of principal or interest shall become due, by acceleration or otherwise, such installment shall bear interest for each day until paid, payable on demand, at a rate per annum (calculated on the basis of a year of 360 days, as the case may be, and 30 days elapsed) equal to the lesser of (i) 25%, or (ii) 2% above the then current Prime Rate, such interest rate to change automatically from time to time, effective as of the effective date of each change in the Prime Rate. "Prime Rate" means the interest rate per annum announced from time to time by Mellon Bank, N.A., as its prime rate. Interest payable on this Note shall be calculated on the basis of a 360-day year of twelve 30-day months.

Interest and principal will be paid by check or draft drawn upon Mellon Bank, N.A., as Sinking Fund Depository, and mailed to the registered holder hereof at such holder's address as it appears on the Note registry books of the Issuer kept by the Sinking Fund Depository, or by such other means as shall be agreed upon by the Sinking Fund Depository and such holder. If any payment of principal or interest hereunder shall become due on a day which is not a Business Day, such payment shall be made on the next following Business Day and such extension of time shall be included in computing interest in connection with such payment. "Business Day" means a day which is not a Saturday, Sunday or legal holiday on which banking institutions in the Commonwealth of Pennsylvania are closed or required to close.

This Note may not be prepaid or redeemed in whole or in part.

This Note is one of duly authorized series (the "Notes") limited in aggregate principal to \$206,200 authorized to be issued in accordance with the Act of the General Assembly of the Commonwealth of Pennsylvania, approved the 28th day of April, 1978, being Act No. 52 of the 1978 Session, as amended and supplemented (the "Act"), and by virtue of an ordinance (the "Ordinance") enacted by the Issuer and with the approval of the Department of Community Affairs of the Commonwealth of Pennsylvania.

If any one or more of the following events shall occur and be continuing or shall exist:

- (a) The Issuer shall default in the payment of principal of this Note or any of the other Notes when due; or
- (b) The Issuer shall default in the payment of any installment of interest on this Note or any of the other Notes when due; or
- (c) The Issuer shall default in the performance or observance of any covenant, agreement, condition, provision or duty contained in the Ordinance and such default shall not be remedied for a period of 10 days after written notice thereof to the Issuer from the holder of this Note; or
- (d) Any certificate or financial statement furnished pursuant to the provisions of the Ordinance or the Act shall prove to have been false or misleading in any material respect as of the time made or furnished; or
- (e) The Issuer shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law, or shall consent to the appointment of or the taking of possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of or for any substantial part of the Issuer's property, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action in furtherance of any of the foregoing; or
- (f) Under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Issuer or of any part of its property and such custody or control shall not be terminated or stayed within 60 days from the date of assumption of such custody or control;

then, and in any such event, the holder of this Note shall be entitled by written notice to the Issuer to declare this Note and interest accrued thereon to be forthwith due and payable, and the same shall thereupon become due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived, and shall have such other rights as may be vested in such holder by the provisions of the Act; provided, however, that upon the occurrence of an event described in clause (e) or (f) hereof, this Note and the accrued interest hereon shall thereupon become due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived.

This Note is hereby declared to be a general obligation of the Issuer. The Issuer hereby covenants with the holders from time to time of this Note that it shall include the amount of the debt service on the same for each fiscal year in which such sums are payable in its budget for that year, shall appropriate such amounts to the payment of such debt service and shall duly and punctually pay or cause to be paid the principal of every Note and the interest thereon at the dates and places in the manner stated therein according to the true intent and meaning thereof.

It is hereby certified that all acts, conditions and things required to be done, to happen and to be performed precedent to and in the issuance of this Note or in the creation of the indebtedness of which this Note is evidence, have been done, happened and been performed in regular and due form and manner as required by law; that this Note, together with all other indebtedness of the Issuer, is not in excess of any constitutional or statutory limitation; and that for the proper budgeting, appropriation and the prompt and full payment of all the obligations of this Note, the full faith, credit and taxing power of the Issuer are hereby irrevocably pledged.

The Issuer hereby represents and warrants that the interest on this Note will be excluded from gross income for federal income tax purposes and will not be an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations, except that interest on this Note will be included in the calculation of the adjustment for "adjusted current earnings" under the alternative minimum tax imposed on corporations by the Internal Revenue Code of 1986 (the "Code").

This Note is hereby designated as a "qualified tax-exempt obligation", as such term is defined in Section 265(b)(3)(B) of the Code. The Issuer hereby represents and warrants that this Note qualifies for the exception described in Section 265(b)(3) of the Code permitting a bank and other financial institution an 80% deduction for its interest expense allocable to this Note.

WITNESS the due execution hereof by the duly authorized officers of the Issuer.

OHIO TOWNSHIP

SEAL

By: _____
George B. Wible
Chairman

ATTEST:

John L. Sullivan, Jr.
Secretary

SCHEDULE A
PRINCIPAL INSTALLMENTS
TO
GENERAL OBLIGATION SERIAL NOTE

Ohio Township

NOTE R- 1

DATED: 15-Dec-95

NOTE AMOUNT: \$47,498.59
INTEREST RATE: 5.35% Per Annum

DATE	AMOUNT
1-Feb-96	\$3,862.09
1-Mar-96	\$3,879.31
1-Apr-96	\$3,896.61
1-May-96	\$3,913.98
1-Jun-96	\$3,931.43
1-Jul-96	\$3,948.96
1-Aug-96	\$3,966.56
1-Sep-96	\$3,984.25
1-Oct-96	\$4,002.01
1-Nov-96	\$4,019.85
1-Dec-96	\$4,037.77
1-Jan-97	\$4,055.77
Total:	\$47,498.59

SCHEDULE A
PRINCIPAL INSTALLMENTS
TO
GENERAL OBLIGATION SERIAL NOTE

Ohio Township

NOTE R- 2

DATED: 15-Dec-95

NOTE AMOUNT: \$50,103.00
INTEREST RATE: 5.35% Per Annum

DATE	AMOUNT
1-Feb-97	\$4,073.86
1-Mar-97	\$4,092.02
1-Apr-97	\$4,110.26
1-May-97	\$4,128.59
1-Jun-97	\$4,146.99
1-Jul-97	\$4,165.48
1-Aug-97	\$4,184.05
1-Sep-97	\$4,202.71
1-Oct-97	\$4,221.44
1-Nov-97	\$4,240.27
1-Dec-97	\$4,259.17
1-Jan-98	\$4,278.16
Total:	\$50,103.00

SCHEDULE A
PRINCIPAL INSTALLMENTS
TO
GENERAL OBLIGATION SERIAL NOTE

Ohio Township

NOTE R- 3

DATED: 15-Dec-95

NOTE AMOUNT: \$52,850.22
INTEREST RATE: 5.35% Per Annum

DATE	AMOUNT
1-Feb-98	\$4,297.23
1-Mar-98	\$4,316.39
1-Apr-98	\$4,335.63
1-May-98	\$4,354.96
1-Jun-98	\$4,374.38
1-Jul-98	\$4,393.88
1-Aug-98	\$4,413.47
1-Sep-98	\$4,433.15
1-Oct-98	\$4,452.91
1-Nov-98	\$4,472.77
1-Dec-98	\$4,492.71
1-Jan-99	\$4,512.74
Total:	\$52,850.22

SCHEDULE A
PRINCIPAL INSTALLMENTS
TO
GENERAL OBLIGATION SERIAL NOTE

Ohio Township

NOTE R- 4

DATED: 15-Dec-95

NOTE AMOUNT: \$55,748.19
INTEREST RATE: 5.35% Per Annum

DATE	AMOUNT
1-Feb-99	\$4,532.86
1-Mar-99	\$4,553.06
1-Apr-99	\$4,573.36
1-May-99	\$4,593.75
1-Jun-99	\$4,614.23
1-Jul-99	\$4,634.81
1-Aug-99	\$4,655.47
1-Sep-99	\$4,676.23
1-Oct-99	\$4,697.07
1-Nov-99	\$4,718.01
1-Dec-99	\$4,739.05
1-Jan-00	\$4,760.29

Total: \$55,748.19

SCHEDULE B

TOTAL FISCAL PAYMENTS
PRINCIPAL & INTEREST

Ohio Township

<u>FISCAL YEAR ENDING</u>	<u>AMOUNT</u>
30-Dec-96	\$53,085.70
30-Dec-97	\$57,376.80
30-Dec-98	\$57,376.80
30-Dec-99	\$57,376.80
30-Dec-00	\$4,781.40